

tax should go the way of the death tax. The capital gains tax is a form of double taxation that penalizes risk-taking and entrepreneurship. Short of eliminating this tax, a solution endorsed by many economists, including Federal Reserve Chairman Alan Greenspan, Congress must enact a substantial and permanent reduction in the capital gains tax rate to stimulate new investment and more productive use of resources for both the short-term health of our economy.

According to a recent study by the American Council for Capital Formation, American taxpayers face capital gains tax rates that are 35 percent higher than those paid by average investors in other countries. Furthermore, the United States is one of a small number of countries that requires a holding period for an investment to qualify for preferential capital gains treatment. Reducing the capital gains rate will promote the type of productive business investment that fosters growth and creates high-paying jobs. Lowering rates will aid entrepreneurs in their effort to make advances in products, technologies, and services that people want and need.

The fifth component of the Contract with Investors modernizes the capital loss limitation of the tax code by increasing the amount of capital loss an individual may deduct against ordinary income from the current \$3,000 to \$10,000, and by indexing this amount for inflation. The capital loss limitation was set arbitrarily more than 25 years ago, and would have grown to \$10,000 if it had been indexed for inflation when enacted. Modernizing this provision will allow investors to move out of unproductive assets or unfavorable investments, and use the profits to reinvest, save, or spend, as they choose.

My bill also encourages savings. It accelerates the increase in amounts that may be contributed to certain tax-qualified retirement savings plans, and raises the age at which mandatory distributions must begin. Increasing the annual, maximum individual retirement account, IRA, contribution to \$5,000 and the annual, maximum 401(k) plan contribution to \$15,000 will enable American workers to save more for the future by investing in businesses. Increasing from 70.5 to 75 the age at which seniors must begin making annual withdrawals from this tax-deferred retirement accounts will allow seniors who are approaching this arbitrary age to choose whether to maintain their investments, rather than being forced to divest.

Finally, the Contract with Investors eliminates the double taxation of dividends by excluding from gross income 100 percent of dividends received by individuals. Currently, corporations pay income taxes on their profits. Their investors are forced to pay income tax at the highest marginal rate applicable on amounts that corporations distribute to them in the form of dividends. The National Center for Policy Analysis

has calculated that the combined tax rate on corporate profits is approximately 60 percent.

My bill will eliminate the tax imposed on individuals receiving dividends from domestic C corporations, which will produce higher returns on dividend-yielding equity investments. It will also remove the disincentive for corporations to pay dividends and put equity financing on the same tax-footing as debt financing. Eliminating the tax bias against equity will improve corporate governance at a time when the public is demanding better practices at American firms. It will reassure investors who may be concerned about companies taking on too much debt or making unwise or unnecessary investments with excess cash. Eliminating the double taxation of dividends will, like the other elements of my plan, encourage investment and foster economic expansion.

Finally, I have included five provisions under "Sense of the Senate" language. I believe that the Senate must act on these issues and I stand ready and willing to assist my colleagues in solving these problems.

First, Congress should pass legislation to safeguard American workers' pension and retirement accounts. Last Congress, the Finance Committee unanimously passed out of committee such a bill. The Senate and the House of Representatives should act quickly to pass similar legislation as soon as possible.

Second, Congress should modernize this country's international tax provisions to permit U.S. companies to better compete internationally. Our tax code places U.S. companies and the investors who own them at a distinct competitive disadvantage. Congress must modernize these provisions and move towards ending the current practice of taxing profits earned outside the boundaries of the United States.

Third, Congress must take the trouble to purge redundant, outdated, and unscientific regulatory burdens on investors and U.S. companies. Congress is quick to pass onerous new laws but slow to repeal them. This is an abdication of our responsibility as legislators. Before placing new burdens on investors and businesses, Congress should be required to perform a cost-benefit analysis and institute performance criteria to evaluate these new burdens on U.S. businesses and investors.

Fourth, Congress should enact meaningful tort reform as soon as possible.

Finally, Congress should enact meaning tax reform that simplifies the Internal Revenue Code and reduces the depreciation recovery periods that businesses are forced to use to recover the cost of capital investments.

Now is the time for bold action. A "Contract with Investors" is long overdue. I have laid out my principles. I look forward to future hearings and discussions with my colleagues. It's time to get working.

ADDITIONAL STATEMENTS

RETIREMENT OF GUY COATES

• Ms. LANDRIEU. Mr. President, I rise today on behalf of myself, Senator BREAUX, and the entire State of Louisiana to pay tribute to a real Louisiana legend, Guy Coates.

For the better part of 40 years, Guy Coates has reported on all aspects of Louisiana politics and State news. Guy Coates started his journalistic career as a reporter for KNOE-TV in Monroe and KSLA-TV in Shreveport. He joined the AP in 1968 in the New Orleans Bureau and moved to Baton Rouge in 1973. Guy became the bureau chief in Baton Rouge in 1991. He is currently the dean of Baton Rouge Press Corps.

Mr. Coates has a long and distinguished career as one of Louisiana's finest reporters. Guy covered his first governor, Jimmie Davis, in 1962 at a ground-breaking for Toledo Bend Lake. He covered his first legislative session in 1965 when John McKeithen was governor. For the AP, Coates has been involved in coverage of the New Orleans sniper; the 1973 constitutional convention; the Luling ferry disaster; various racial demonstrations; the big '73 flood; every statewide political campaign and election since 1968; GOP and Democratic National Conventions; Apollo 14; the Louisiana visit of Poe John Paul II; executions at Angola; the Oakdale prison riots; and he was the only reporter invited to the marriage of Edwin Edwards and Candy Picou. Guy served as a witness to history for all of us when he was the only AP reporter on the Gulf Coast during the landfall of Hurricane Camille in 1969.

Guy was perhaps best known for his alter ego, Jethro. As one reporter and colleague of Guy put it, Guy "was unique among AP writers for his political column, which included the homespun, irreverent observation of his fictional friend, Jethro." In Guy's final column, today, he writes, "So, it's time to join my old column soul mate, Jethro Rothschild, who retired to our make believe world in the garage a few years ago." The entire State of Louisiana is going to miss the poignant insights into the political arena that made his opinion invaluable in any Louisiana political discourse.

I know that my colleague, Senator BREAUX joins me in wishing Guy and his wife Jonica McDaniel many happy years together in whatever endeavors they choose to pursue. Louisiana is losing one of our finest reporters, and we are better off having had him report on our State, Nation and the world. •

HONORING DON COOK

• Mr. JOHNSON. Mr. President, I am saddened to report the passing of one of South Dakota's most exceptional public leaders, Don Cook.

Don Cook was a widely respected representative, political strategist, and long time leader in the South Dakota

Democratic Party. He was greatly admired by his peers for his dedication to his community and local concerns. A principle figure in the State party, Don served as State Central Committeeman and Vice Chairman, as well as a delegate to the Democratic National Conventions in 1992 and 2000. His tremendous contributions to the community and public leadership set him apart from other outstanding South Dakotans.

Born in 1920, Don joined the U.S. Army in 1942 and served with General George Patton's Army in Europe where he was awarded the Bronze Star and five Battle Stars. A native of Missouri, Don moved to South Dakota 40 years ago, where he and his wife Maxie ran a very successful feed and seed business in Huron. They had two children, a daughter Connie and son Sid, who recently preceded his father in death. An active member of the community, Don was a participating member of the First Presbyterian Church, the Huron Country Club, Yel Daz Shrine, American Legion, VFW, and the Huron Chamber of Commerce.

Like fellow Missouri native, President Harry Truman, Don was described as a regular guy who did not mince words. He was a staunch and determined political fighter, who unselfishly lent his support to many local politicians. A man of action and passion, Don made things happen and those around him proud to know him. His influence on South Dakota's political development is extraordinary, and extends here to our Nation's capital. He was a friend and supporter of both Senator DASCHLE and myself, both as State legislators and as representatives in Washington, D.C.

Through his outstanding community involvement and political activism the lives of countless South Dakotans were enormously enhanced. His work continues to inspire all those who knew him. I am proud to have been a friend of Don Cook. Our Nation and South Dakota are far better places because of his life, and while we miss him very much, the best way to honor his life is to emulate his commitment to public service and to his community.●

IN MEMORY OF EDWARD PIOTROWSKI

● Mr. KOHL. Mr. President, over the weekend one of my constituents, Edward J. Piotrowski, passed away. This eulogy was written by his son, Steve, a long time and greatly valued member of my State staff. Steve's words speak for themselves, but I would just add that Steve and his father are not at all average, but extraordinary citizens and contributors to the State of Wisconsin and the Nation.

The eulogy follows:

AN AVERAGE AMERICAN

An average American died today. His death did not make the evening news. Only his friends and family noticed his death. His death was unremarkable as was his life. Yet, his passing lessens us all a little bit.

He was the son of Polish immigrants. He grew up on a farm in Central Wisconsin. He attended a school that was taught in Polish, and he only had an eight-grade education. Yet, he was a smart man, and he was a kind and gentle man. He cared about other people and knew that part of his obligation in life was to help make his community a better place. He cared deeply about his family, his community, his church and his country. He never aspired to greatness, he only wanted to work hard and make life better for his family and community.

His was a simple life. He worked hard from the time he was young as one of thirteen children helping his family on the farm. He came of age during WWII, and in spite of the fact that he had and could have maintained a farm deferment, he volunteered to serve his country during the War. He was initially trained as an infantryman, but was then transferred to the Army Air Corps where he became a nose gunner on a B-24. He was scheduled to ship to the European theater of operations when one of his crewmembers was killed in a training accident. The Army broke up the crew and reassigned and retrained them. He was on his way to the Pacific when the war ended. I believe that he always regretted that he never got the opportunity to test his courage in combat but was also grateful that he along with his brothers made it home alive and well.

Shortly after the war, he met my mother and they married and began the process of raising their family. Eventually they had six children, and suffered through the loss of their first daughter at the age of two. He drove a semi-truck for nearly 20 years after the war. It was a good way to earn a living, but caused him to have to spend a great deal of time away from his home and family. He eventually decided to run his own business, a small service station in his small hometown. He loved to build and fix things, and this business, while trying at times, allowed him many opportunities to do that. After a while the changes in the service station business convinced him to look for work that better suited his skills and abilities.

He found a job as a carpenter; his life-long hobby was now also his occupation. He had a talent and dedication for wood working that was amazing. His ability to turn raw lumber into beautiful furniture and useful items was inspiring. He loved to spend his time in his workshop building furniture for his family and friends. He usually made his furniture only for friends and family, and he never charged anywhere near what his skills and labor could have demanded. He just wanted to create useful and beautiful things for others to enjoy. He donated his creations to his church and the community for their use and as items in various fundraisers.

He was not a man that showed his emotions easily. Like most men of his generation, he was taught to be stoic and composed in all situations. Yet, he showed his love for his family in so many ways every day. When his boys were young, go-carts were all the craze. He found an old Nash Rambler and using parts from the body and frame of the car, his own ingenuity, and his skills with wood working and welding, he built the boys a go-cart with a hood and seat and working lights. It was a rather funny looking little vehicle, but it gave the boys hours and hours of pleasure racing around the farm fields and yards.

When we moved off the farm and into town, there wasn't a place for us to play baseball. The only ballpark in town was set up for softball, and the river ran right behind the short left field fence causing us to lose many baseballs. He, along with a number of other fathers, talked to a man who owned an unused farm field on the edge of town and

got permission for us to build a ball field. Using only their garden roto-tillers and hand tools, he led the fathers and boys in building, seeding and leveling a very useable ballpark for us kids. It was maintained and used for years by the kids in Amherst as a ballpark.

He also worked to fulfill the dreams of his daughters. He spent many hours building a dollhouse for his second daughter. It challenged his skills to work in such a small scale. Because she wanted it, he built it for her using left over materials from his home remodeling projects. She has that dollhouse in her home today. His last daughter wanted a playhouse. He built her one that many would have considered a starter home in early days. She still has the miniature cupboards and kitchen cabinets from that treasured play area.

For many years he was a member of the volunteer fire department. He regularly volunteered to help out with community improvement projects bringing his skills and work dedication to help make his hometown a better place. He always was willing to help his church, friends and family. He was a member of the local American Legion for many, many years. He always marched in the Memorial Day parade, and was especially proud when he was selected to be the flag bearer for the parade. Last year, in spite of the cancer that was slowly destroying him, he again was in the parade. He did make the concession to ride in the pick-up truck rather than march because of his loss of strength. He epitomized the dedication of a citizen that is necessary to make a city a true community.

Our father was never recognized as a celebrity. In fact, if you met him on the street, he would have appeared to be just an average American. In all so many ways he was just an average American, but he was the type of everyday American we need. He worked hard. He cared about his family and community. He gave of himself to help others and to make his small part of the world better. Most of all he set an example for his children, an example of what it takes to be a good person and to succeed in life by taking care of those things that really matter. As we got older we tried to let him know how well he had done in raising us and how much he meant to us. I don't think I could ever truly express to him how much he taught me by his example and his everyday kindness.

Edward J. Piotrowski, known to your family as Pops from the time we boys felt too old to call you daddy, you will be deeply missed. I hope that when you died you understood that we were proud to call you "Pops". I also hope that I can someday be considered as good a citizen of our great country as you were.

With love and respect, your children.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)